

# CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number \_\_\_\_\_

Meeting Type: Regular

Meeting Date: [ ] [ ] [ ] [ ] [ ] [ ]

Action Requested By:  
Human Services

Agenda Item Type  
Ordinance

Subject Matter:

Ordinance to amend Ordinance 97-21, Eligibility Requirements for Retirement Health Benefits.

Exact Wording for the Agenda:

Ordinance to amend Ordinance 97-21, Eligibility Requirements for Retirement Health Benefits.

**Note: If amendment, please state title and number of the original**

Item to be considered for: Introduction      Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

This action is necessary to amend the Eligibility Requirements for Retirement Health Benefits with the City of Huntsville due to changes implemented by the Retirement System of Alabama (RSA) effective January 1, 2013.

Associated Cost: [ ]

Budgeted Item: Select...

MAYOR RECOMMENDS OR CONCURS: Select...

Department Head:

*Byron K Thomas*

Date: 11/29/2012

**ORDINANCE NO. 12-\_\_\_\_\_**

**BE IT ORDAINED** by the City Council of the City of Huntsville, Alabama, that the "Eligibility Requirements for Retirement Health Benefits" as adopted and approved by Ordinance No. 88-674 on the 20<sup>th</sup> day of December 1988, subsequently amended by Ordinance No. 91-777 on the 9<sup>th</sup> day of January 1992, Ordinance No. 92-139 on September 28, 1992, Ordinance No. 94-790 on November 10, 1994, Ordinance No. 96-1042 on December 19, 1996, and Ordinance No. 97-21 on January 23, 1997, is hereby further amended to read as provided in the attached "Eligibility Requirements for Retirement Health Benefits".

**ADOPTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
President of the City Council of  
the City of Huntsville, Alabama

**APPROVED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Mayor of the City of Huntsville,  
Alabama

## **ELIGIBILITY REQUIREMENTS FOR RETIREMENT HEALTH BENEFITS**

1. The employee shall, on or after January 1, 2013, meet one of the following age and service requirements:
  - a. Be an employee having service for which he or she received credit in the Retirement System of Alabama (Tier I Plan Member), prior to January 1, 2013, and:
    - i. Be less than age sixty-five (65); and shall have accrued a minimum of twenty-five (25) creditable years of service in the Retirement System of Alabama; or
    - ii. Be of age sixty (60) through sixty-four (64); and shall have accrued a minimum of ten (10) creditable years of service in the Retirement System of Alabama.
  - b. Be an employee first eligible for employment on or after January 1, 2013, and who had no eligible service in the Retirement System of Alabama prior to January 1, 2013 (Tier II Plan Member), and:
    - i. Be of age sixty-two (62) through sixty-four (64); and shall have accrued at least ten (10) creditable years of service in the Retirement System of Alabama; or
    - ii. Be of age fifty-six (56) through sixty-four (64); and shall have accrued a minimum of ten (10) creditable years of service in the Retirement System of Alabama as a Law Enforcement Officer, Firefighter, or Correctional Officer.
2. The employee shall, at the time of termination of employment with the City of Huntsville, meet the established age and service requirements to qualify for continued retiree health benefits. There shall be no vested entitlement of eligibility.
3. Application and approval for continued retiree and dependent health benefits must occur prior to the employee's effective retirement date.
4. Only those dependents of the employee authorized for dependent coverage in the City's active group health plan prior to the effective date of retirement shall be authorized for continued retiree health benefits.
5. Dependent coverage shall not be authorized without enrollment of the retiree; provided however, that upon the death of the retiree, or upon the retiree's attainment of age sixty-five (65), or the retiree's eligibility for Medicare for any reason, dependents then on the plan may continue in the plan in accordance with all other eligibility requirements.

## **ELIGIBILITY REQUIREMENTS FOR RETIREMENT HEALTH BENEFITS**

### **Page 2**

6. Dependents of an active employee shall be deemed eligible and authorized for post-retirement health benefits if the active employee continues to work past age sixty-five (65) and at the time of the employee's termination of employment the employee meets the established service requirements to qualify for continued retiree health benefits.
7. Dependents of an active employee shall be deemed eligible and authorized for post-retirement health benefits if the active employee dies and, at the time of death, meets all eligibility requirements for post-retirement health benefits.
8. In the event a participating retiree's spouse is employed with the City of Huntsville and continues to participate in the City's active group health plan, such spouse shall be deemed eligible and authorized to be included on the retiree's plan upon the employee's termination of employment with the City of Huntsville. If the retired employee is no longer participating because of death, attainment of age sixty-five (65), or eligibility for Medicare for any reason, the spouse and dependents shall be deemed eligible for enrollment and continued coverage as dependents of the retiree.
9. Once an employee or dependent declines or withdraws from enrollment in the post-retirement health plan, such employee and/or dependent shall not subsequently be authorized enrollment or benefits.
10. Employee and spouse eligibility for retiree health benefits shall cease upon attainment of age sixty-five (65), or at any other time before age sixty-five (65) when the employee and/or spouse becomes eligible for Medicare for any reason. Dependent children shall be governed by the group plan eligibility criteria.